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GROUND BROKEN FOR NEWARK'S LARGEST HOUSING COMPLEX IN LAST DECADE; K. HOVNANIAN RECEIVES HUD AWARD

NEWARK, December 2, 1987 -- What is believed to be the single-largest inner city low-rise housing development ever started in New Jersey, moved closer to reality when ground was broken today at K. Hovnanian Companies' Society Hill at University Heights condominium community in Newark's Central Ward. The event took place at 11:00 a.m., at the intersection of 13th Avenue and Boston Street, the location of the first of five sites for the community. K. Hovnanian, New Jersey's largest homebuilder, was also recognized for its innovative approaches to affordable housing in Newark, when it was presented with a highly coveted award from the U.S. Department of Housing and Urban Development (HUD).

"With this ground breaking, we truly herald the beginning of housing revitalization for our entire city," said Newark Mayor Sharpe James.

"This is the single-largest housing development in our city in the last decade and I am proud that it involves a company with the stature and reputation of K. Hovnanian. The company's strong belief in Newark is just another indication of the vast potential our great city holds for other developers," Mayor James added.

The award is part of the nationwide Joint Venture for Affordable Housing Program, which was created by HUD to encourage affordable housing by

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joint cooperation between developers and cities. Sharing in the award will be the City of Newark for its efforts in reducing the cost of housing. Representing HUD Secretary Samuel R. Pierce, Jr. at the presentation was Walter Johnson, HUD manager for Newark.

K. Hovnanian was cited especially for its design and construction techniques which contribute to the affordable prices of the homes. By using panelized construction and well conceived home designs and layouts, the company is able to maximize and speed-up the building process, according to the 28-year-old company. Through speed and volume, the company can pass on cost savings to the buyer.

This will be evident in the anticipated starting prices for the homes in keeping with the Society Hill name, which is so synonymous with the company's affordably priced suburban homes. Prices for Society Hill at University Heights are expected to start at \$58,000 for the smallest one-bedroom garden-styled condominium home to \$98,000 for the largest, three bedroom/two-and-a-half bath townhome.

Design-wise, the company has created the townplex -- an unusual combination of townhomes and garden apartments specifically designed for an urban setting. In addition, a new townhome design was also created for the community.

The company will build 168 condominium townhomes and townplex homes at the six-acre site, which is also bounded by Howard Street to the south and busy South Orange Avenue to the west.

Projections are for an additional 562 homes to be built on the remaining adjacent 17 acres. In addition, the company is seeking to

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develop another 21 acres just west of the present location that will incorporate 335 more homes, a police annex and 115,000 square feet of commercial and retail space. This will include a food market, and a variety of retail shops from a cleaner to a card store, as well as a possible bank branch. In all, 1,065 homes are planned for the area.

Homes will range in size from 558 square feet for a one-bedroom, garden-styled condominium home to 1,445 square feet for a three-bedroom/two-and-a-half bath townhome.

The company expects to begin selling these homes in April with the first move-ins expected by this coming July.

The first phase will also include 25 Mt. Laurel homes which will be available only to those with low- or moderate-income levels who must meet strict criteria.

Though famed for its affordably priced homes throughout New Jersey's growing suburbs, K. Hovnanian welcomed the chance to be a part of the resurgence of Newark when last year it joined Vogue Housing Connections, Inc, as co-developer of the first 40 homes to be built in the University Heights section to the Central Ward. The ground breaking marked the start of its own downtown project, which will be aided by Donald Harris, president of Vogue.

K. Hovnanian is the nation's second-largest developer of attached homes.

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